

LEGISLATURE OF NEBRASKA

NINETY-NINTH LEGISLATURE

SECOND SESSION

**LEGISLATIVE BILL 1006**

Introduced by Bourne, 8; Baker, 44; Combs, 32; Cudaback, 36;  
Cunningham, 40; Erdman, 47; Fischer, 43; Flood, 19;  
Friend, 10; Heidemann, 1; Johnson, 37; Kremer, 34;  
McDonald, 41; Pahls, 31; Dw. Pedersen, 39; Schrock,  
38; at the request of the Governor

Read first time January 10, 2006

Committee: Revenue

A BILL

1 FOR AN ACT relating to schools and school districts; to amend  
2 section 79-1022.02, Revised Statutes Supplement, 2004,  
3 and section 77-3442, Revised Statutes Supplement,  
4 2005; to change provisions relating to levies and  
5 certifications; to harmonize provisions; to repeal the  
6 original sections; and to declare an emergency.  
7 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 77-3442, Revised Statutes Supplement,  
2   2005, is amended to read:

3           77-3442 (1) Property tax levies for the support of local  
4   governments for fiscal years beginning on or after July 1, 1998,  
5   shall be limited to the amounts set forth in this section except as  
6   provided in section 77-3444.

7           (2)(a) Except as provided in subdivision (2)(b) of this  
8   section, school districts and multiple-district school systems may  
9   levy a maximum levy of (i) one dollar and five cents per one  
10   hundred dollars of taxable valuation of property subject to the  
11   levy for fiscal years 2003-04 through ~~2007-08~~ and ~~(ii)~~ 2005-06,  
12   (ii) one dollar and two and one-half cents per one hundred dollars  
13   of taxable valuation of property subject to the levy for fiscal  
14   year 2006-07, and (iii) one dollar per one hundred dollars of  
15   taxable valuation of property subject to the levy for all fiscal  
16   years except fiscal years 2003-04 through ~~2007-08~~ 2006-07. Excluded  
17   from this limitation are amounts levied to pay for sums agreed to  
18   be paid by a school district to certificated employees in exchange  
19   for a voluntary termination of employment and amounts levied  
20   to pay for special building funds and sinking funds established  
21   for projects commenced prior to April 1, 1996, for construction,  
22   expansion, or alteration of school district buildings. For purposes  
23   of this subsection, commenced means any action taken by the school  
24   board on the record which commits the board to expend district  
25   funds in planning, constructing, or carrying out the project.

1           (b) Federal aid school districts may exceed the maximum  
2     levy prescribed by subdivision (2)(a) of this section only to  
3     the extent necessary to qualify to receive federal aid pursuant  
4     to Title VIII of Public Law 103-382, as such title existed on  
5     September 1, 2001. For purposes of this subdivision, federal  
6     aid school district means any school district which receives ten  
7     percent or more of the revenue for its general fund budget from  
8     federal government sources pursuant to Title VIII of Public Law  
9     103-382, as such title existed on September 1, 2001.

10           (c) For school fiscal year 2002-03 through school fiscal  
11     year 2007-08, school districts and multiple-district school systems  
12     may, upon a three-fourths majority vote of the school board of  
13     the school district, the board of the unified system, or the  
14     school board of the high school district of the multiple-district  
15     school system that is not a unified system, exceed the maximum  
16     levy prescribed by subdivision (2)(a) of this section in an amount  
17     equal to the net difference between the amount of state aid that  
18     would have been provided under the Tax Equity and Educational  
19     Opportunities Support Act without the temporary aid adjustment  
20     factor and if subdivision (3) of section 79-1007.02 and subsections  
21     (2) and (5) of section 79-1008.01 had applied for the ensuing  
22     school fiscal year for the school district or multiple-district  
23     school system and the amount provided with the temporary aid  
24     adjustment factor and if subdivision (4) of section 79-1007.02  
25     and subsections (3) and (6) of section 79-1008.01 had applied.

1 The State Department of Education shall certify to the school  
2 districts and multiple-district school systems the amount by which  
3 the maximum levy may be exceeded for the next school fiscal year  
4 pursuant to subdivision (2)(c) of this section on or before May 15,  
5 2006, for school fiscal year 2006-07 and on or before February 15  
6 for school fiscal years 2004-05 through year 2007-08.

7 (3) Community colleges may levy a maximum levy on each  
8 one hundred dollars of taxable property subject to the levy of  
9 seven cents, plus amounts allowed under subsection (7) of section  
10 85-1536.01, except that any community college whose valuation per  
11 reported aid equivalent student as defined in section 85-1503 was  
12 less than eighty-two percent of the average valuation per statewide  
13 reimbursable reported aid equivalent total as defined in section  
14 85-1503 for all community colleges for fiscal year 1997-98 may levy  
15 up to an additional one-half cent for each of fiscal years 2005-06  
16 and 2006-07 upon a three-fourths majority vote of the board.

17 (4) Natural resources districts may levy a maximum levy  
18 of four and one-half cents per one hundred dollars of taxable  
19 valuation of property subject to the levy. Natural resources  
20 districts shall also have the power and authority to levy a  
21 tax equal to the dollar amount by which their restricted funds  
22 budgeted to administer and implement ground water management  
23 activities and integrated management activities under the Nebraska  
24 Ground Water Management and Protection Act exceed their restricted  
25 funds budgeted to administer and implement ground water management

1 activities and integrated management activities for FY2003-04, not  
2 to exceed one cent on each one hundred dollars of taxable valuation  
3 annually on all of the taxable property within the district.

4 (5) Educational service units may levy a maximum levy of  
5 one and one-half cents per one hundred dollars of taxable valuation  
6 of property subject to the levy.

7 (6) (a) Incorporated cities and villages which are not  
8 within the boundaries of a municipal county may levy a maximum levy  
9 of forty-five cents per one hundred dollars of taxable valuation  
10 of property subject to the levy plus an additional five cents per  
11 one hundred dollars of taxable valuation to provide financing for  
12 the municipality's share of revenue required under an agreement  
13 or agreements executed pursuant to the Interlocal Cooperation Act  
14 or the Joint Public Agency Act. The maximum levy shall include  
15 amounts levied to pay for sums to support a library pursuant  
16 to section 51-201, museum pursuant to section 51-501, visiting  
17 community nurse, home health nurse, or home health agency pursuant  
18 to section 71-1637, or statue, memorial, or monument pursuant to  
19 section 80-202.

20 (b) Incorporated cities and villages which are within the  
21 boundaries of a municipal county may levy a maximum levy of ninety  
22 cents per one hundred dollars of taxable valuation of property  
23 subject to the levy. The maximum levy shall include amounts paid  
24 to a municipal county for county services, amounts levied to pay  
25 for sums to support a library pursuant to section 51-201, a museum

1 pursuant to section 51-501, a visiting community nurse, home health  
2 nurse, or home health agency pursuant to section 71-1637, or a  
3 statue, memorial, or monument pursuant to section 80-202.

4 (7) Sanitary and improvement districts which have been in  
5 existence for more than five years may levy a maximum levy of forty  
6 cents per one hundred dollars of taxable valuation of property  
7 subject to the levy, and sanitary and improvement districts which  
8 have been in existence for five years or less shall not have  
9 a maximum levy. Unconsolidated sanitary and improvement districts  
10 which have been in existence for more than five years and are  
11 located in a municipal county may levy a maximum of eighty-five  
12 cents per hundred dollars of taxable valuation of property subject  
13 to the levy.

14 (8) Counties may levy or authorize a maximum levy of  
15 fifty cents per one hundred dollars of taxable valuation of  
16 property subject to the levy, except that five cents per one  
17 hundred dollars of taxable valuation of property subject to the  
18 levy may only be levied to provide financing for the county's  
19 share of revenue required under an agreement or agreements executed  
20 pursuant to the Interlocal Cooperation Act or the Joint Public  
21 Agency Act. The maximum levy shall include amounts levied to pay  
22 for sums to support a library pursuant to section 51-201 or museum  
23 pursuant to section 51-501. The county may allocate up to fifteen  
24 cents of its authority to other political subdivisions subject  
25 to allocation of property tax authority under subsection (1) of

1 section 77-3443 and not specifically covered in this section to  
2 levy taxes as authorized by law which do not collectively exceed  
3 fifteen cents per one hundred dollars of taxable valuation on any  
4 parcel or item of taxable property. The county may allocate to  
5 one or more other political subdivisions subject to allocation  
6 of property tax authority by the county under subsection (1) of  
7 section 77-3443 some or all of the county's five cents per one  
8 hundred dollars of valuation authorized for support of an agreement  
9 or agreements to be levied by the political subdivision for the  
10 purpose of supporting that political subdivision's share of revenue  
11 required under an agreement or agreements executed pursuant to the  
12 Interlocal Cooperation Act or the Joint Public Agency Act. If an  
13 allocation by a county would cause another county to exceed its  
14 levy authority under this section, the second county may exceed the  
15 levy authority in order to levy the amount allocated.

16 (9) Municipal counties may levy or authorize a maximum  
17 levy of one dollar per one hundred dollars of taxable valuation  
18 of property subject to the levy. The municipal county may allocate  
19 levy authority to any political subdivision or entity subject to  
20 allocation under section 77-3443.

21 (10) Property tax levies for judgments, except judgments  
22 or orders from the Commission of Industrial Relations, obtained  
23 against a political subdivision which require or obligate a  
24 political subdivision to pay such judgment, to the extent such  
25 judgment is not paid by liability insurance coverage of a

1 political subdivision, for preexisting lease-purchase contracts  
2 approved prior to July 1, 1998, for bonded indebtedness approved  
3 according to law and secured by a levy on property, and for  
4 payments by a public airport to retire interest-free loans from the  
5 Department of Aeronautics in lieu of bonded indebtedness at a lower  
6 cost to the public airport are not included in the levy limits  
7 established by this section.

8 (11) The limitations on tax levies provided in this  
9 section are to include all other general or special levies  
10 provided by law. Notwithstanding other provisions of law, the  
11 only exceptions to the limits in this section are those provided by  
12 or authorized by sections 77-3442 to 77-3444.

13 (12) Tax levies in excess of the limitations in this  
14 section shall be considered unauthorized levies under section  
15 77-1606 unless approved under section 77-3444.

16 (13) For purposes of sections 77-3442 to 77-3444,  
17 political subdivision means a political subdivision of this state  
18 and a county agricultural society.

19 Sec. 2. Section 79-1022.02, Reissue Revised Statutes of  
20 Nebraska, is amended to read:

21 79-1022.02 Notwithstanding any other provision of law,  
22 the certification of state aid pursuant to section 79-1022 to be  
23 paid to school districts during school year ~~2003-04~~, 2006-07 and  
24 the certification of applicable allowable growth rates pursuant  
25 to section 79-1026 for school fiscal year ~~2003-04~~, and the



1 ~~certifications of Class I school district allowable general fund~~  
2 ~~budgets of expenditures pursuant to section 79-1083.03 for school~~  
3 ~~fiscal year 2003-04~~ 2006-07 are null and void. State aid to be paid  
4 during such school year and the certifications pursuant to section  
5 79-1022 shall be recertified on or before ~~June 15,~~ 2003 May 15,  
6 2006, using data sources as they existed on ~~February 1,~~ 2003 March  
7 1, 2006.

8           Sec. 3. Original section 79-1022.02, Reissue Revised  
9 Statutes of Nebraska, and section 77-3442, Revised Statutes  
10 Supplement, 2005, are repealed.

11           Sec. 4. Since an emergency exists, this act takes effect  
12 when passed and approved according to law.